

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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This is UNEVALUATED Information

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1. The primary goal of the current Soviet peace offensive is the creation of a buffer zone of neutral states contiguous to the satellites and the Soviet Union. For example, the Soviet Union has recently made a series of overtures to countries along the Iron Curtain, culminating in the conclusion of the Austrian treaty and the visit of the Soviet delegation to Belgrade. In the very near future there will be Soviet moves regarding the unification of Germany. The current Soviet attitude has been inspired primarily by internal weaknesses within the Soviet Union, the low standard of living, and the continued factional maneuvering among the top-level leadership. Secondly, the recent successes of Western diplomacy, particularly the entrance of Western Germany into NATO, have convinced the Soviets that they must now take active steps to inhibit the further expansion of United States bases in Europe.
2. In the case of Austria, the Soviets have succeeded in their political objective of the creation of a buffer state, with the consequent withdrawal of all foreign forces. In addition, Soviet plans for the exploitation of the Austrian economy have proved unworkable, since the basic Austrian industries have not yet become self-supporting.
3. The basic objective of the Soviet delegation to Belgrade was the formulation of a non-aggression pact or, at the very least, firm assurances in this regard from the Yugoslav Government. In spite of the seeming lack of success of the delegation, it is probable that some agreements were secretly concluded in advance of the visit, possibly by personal correspondence between Tito and high-ranking friends in the Soviet Government. The rank of the individual members of the delegation indicates the extent of Soviet anxiety to atone for the past denunciations of Tito, particularly in the light of the latter's

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earlier refusal to travel to the Soviet Union or elsewhere outside Yugoslavia to confer with Soviet leaders. In return for Yugoslav cooperation, the Soviets were probably prepared to offer economic aid, although Tito will reject, if he has not already done so, any offer to send a Soviet economic or technical advisory group to Yugoslavia. The Soviets might also have offered Tito aid in the utilization of atomic energy for peaceful purposes. One possible concomitant of the changed Soviet attitude toward Yugoslavia may be a similar attempt by Bulgaria to conclude a non-aggression treaty with Yugoslavia.

4. Nikita S. Khrushchev's presence in the delegation to Belgrade probably was an indication of the Soviet desire to re-establish Communist Party ties with Yugoslavia, but it is unlikely that Tito was sympathetic to this approach. Vyacheslav M. Molotov's exclusion from the delegation was due primarily to the fact that he had made the most vituperative attacks against Tito in the past. In general, Molotov has been losing stature in the Soviet hierarchy, as was further evidenced by his absence from the 1954 conference in Peiping. Khrushchev would like to unseat Molotov, because of the latter's long-standing high rank and status as an old Bolshevik. However, even if Molotov is removed from his post as Foreign Minister, he will probably remain as Deputy Chairman of the Council of Ministers. Andrey A. Gromyko and Anastas I. Mikoyan are possible successors, although the latter's Armenian nationality militates against his appointment, since the Soviets have no current reason to appease the Armenians. The presence in Belgrade and Peiping of Dmitriy T. Shepilov, Chairman of the Foreign Affairs Committee of the Council of Nationalities, was possibly intended to elevate his prestige in anticipation of his assignment to a higher foreign affairs position. Shepilov probably also functioned as an adviser on political theory.
5. In regard to Germany, the Soviets will not agree to free national elections, since they are certain the Communists would suffer a substantial defeat. MVD circles in 1953 held the conviction that a revolt would take place in Eastern Germany if Soviet troops were withdrawn. With this in mind, the Soviets will probably offer the establishment of a provisional coalition government, to be located in Berlin, with delegates elected or appointed by each side. All foreign forces will then leave Berlin, but the Soviets will attempt to bring the provisional government under their control before proposing the withdrawal of foreign forces from Eastern and Western Germany. It is unlikely that the Soviets will withdraw their troops until after the withdrawal of the troops of the Western powers.
6. The truck taxes and other harassments of West Berlin are not necessarily a contradiction of the Soviet peace offensive. If pressed on this issue, the Soviets will state that it is the sovereign East German Government which is responsible, but that they will attempt to intercede in behalf of the West.
7. Marshal Georgiy K. Zhukov may be included in the Soviet delegation to the "summit" meeting. Khrushchev probably will not attend. The Soviets will adopt a friendly and conciliatory attitude and may even agree to a comprehensive disarmament program, confident that they can effectively divert any inspection teams which might visit the Soviet Union. The Soviets will also be prepared to discuss German unification, and possibly the neutralization of Formosa.
8. In summation, the Soviet peace offensive is essentially an external tactical maneuver, initiated by certain members of the Presidium who are concerned with the lessening of international tensions. There has been no basic change in long-run Soviet policy, and they will revert to a more militant posture when their internal weaknesses have been rectified and a neutral bloc established. The Soviets will not relinquish control of the satellites, as evidenced by the recent conclusion of the NATO-type treaty among the Eastern European states. The Soviets feel that time is on their side, since they are confident that the West will not attack first. However, this does not necessarily imply that they will initiate the attack. Still uncertain of Communist China's status as an ally, the Soviets are concerned over the possibility of a war originating in the Far East into which the other major powers would be drawn.

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